

Why is the Keystone Project needed?

The Steel Electric Vessels are Aging and Need to be Replaced

The Steel Electric class vessels used on the Keystone-Port Townsend route:

- Are 78-years old, and are nearing the end of their useful life. A complete overhaul of these old vessels is economically and technically impractical.
- Have limited car and passenger carrying capacity.

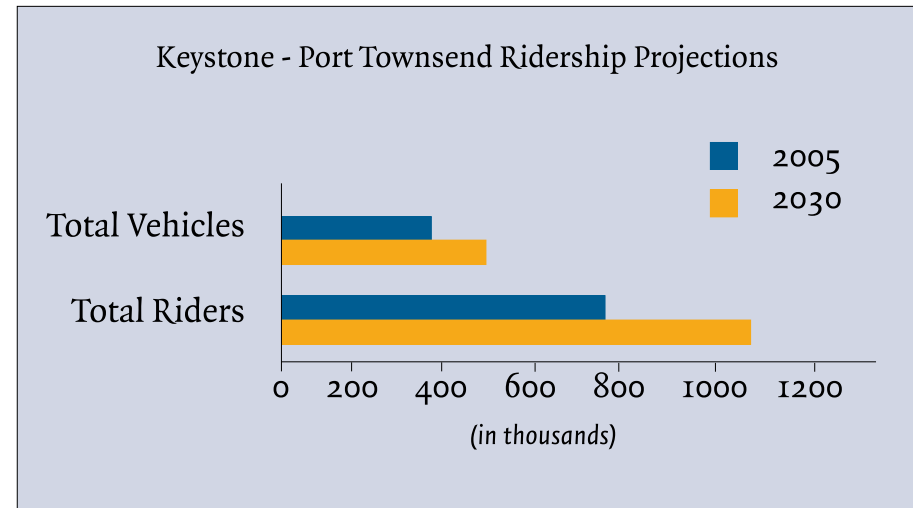


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Growth is Expected on the Keystone-Port Townsend Route

WSF forecasts future service needs using a model that takes into account regional demographics, such as population and employment, and includes assumptions on the capacity of both the ferry system and landside transportation systems.

- Population is projected to grow between 40% and 60% in counties served by Washington State Ferries. Although most of this increase comes from Kitsap County, all counties served by WSF will see significant population growth in the next 25 years. This drives a 70% increase in overall ferry ridership by the year 2030.
- The growth anticipated for this route requires more vessel capacity (either more sailings or larger vessels) and an expanded vehicle holding area.



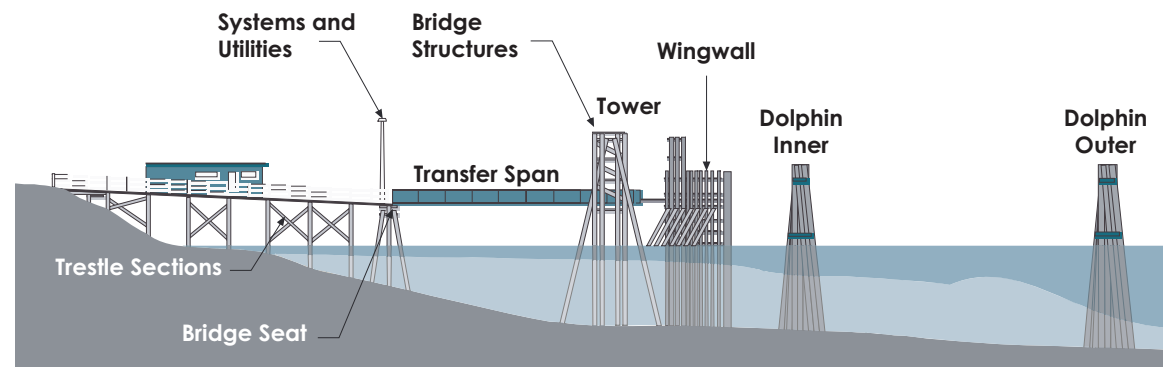
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Aging Terminal Structures Need Preservation Work

In coming years, Keystone Terminal will require costly preservation work to remain operational.

- WSF uses a systemwide life-cycle model to preserve and maintain equipment - from individual terminal structures to vessel engines.
- Interim preservation work is already underway at Keystone Terminal, and more will be needed in the future. It makes fiscal sense to plan and invest in an upgraded terminal now to avoid costly emergency preservation work in the future.

The Parts of a Ferry Terminal



March 27, 2006

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Operational Reliability Needs to be Improved

- The difficulty of navigating in the existing Keystone Harbor results in frequent cancellations due to weather and low tides. Over half of all cancelled sailings in the WSF system occur on the Keystone-Port Townsend route.
- The aging Steel Electrics are the only vessels in WSF's fleet that can fit through Keystone Harbor's narrow entrance.
- Keystone-Port Townsend is the only route in the system where sailings are regularly cancelled due to low tides.

2005 Service Interruptions

	WSF System-Wide	Keystone-Port Townsend
Cancelled Sailings (Total)	685	354
Weather Cancellations	80	52
Cancelled Service Due to Low Tides	239	239
Other Cancellations	366	63

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